

Message Text

UNCLASSIFIED

PAGE 01 BUDAPE 01869 161420Z

41

ACTION EUR-25

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 L-03 H-03

PA-04 PRS-01 USIA-15 CIAE-00 FRB-03 INR-11 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 AEC-11 DODE-00 FEAE-00

FPC-01 INT-08 PM-07 SAM-01 SCI-06 DRC-01 (ISO) W

----- 006549

R 161209Z JUL 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 1632

USDOC WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY VIENNA

AMEMBASSY WARSAW

UNCLAS BUDAPEST 1869

E.O. 11652: N/A

TAGS: ECON, HU

SUBJ: CONSUMER PRICE RISES ANNOUNCED

REF: BUDAPEST 1239

VIENNA FOR EWTC

1. ALL SUNDAY NEWSPAPERS CARRIED ANNOUNCEMENT OF LONG EXPECTED CONSUMER PRICE INCREASES FOR FUELS AS WELL AS NEWS OF SALARY AND PENSION HIKES TO COMPENSATE FOR PRICE JUMPS.

2. PRICE RISES WHICH WILL BECOME EFFECTIVE SEPT 1 ARE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BUDAPE 01869 161420Z

AS FOLLOWS: GASOLINE, 40 PERCENT; COAL AND BRIQUETS, 16 PERCENT;

HEATING OIL, 40 PERCENT; PIPED GAS, WP PERCENT; PROPANE AND BUTANE, 10 PERCENT; FIREWOOD, 18 PERCENT. TO COMPENSATE THE POPULATION FOR THESE RISES ALL WORKERS' SALARIES WITH THE EXCEPTION OF COLLECTIVE FARM MEMBERS, PENSIONS, AND CHILD ASSISTANCE PAYMENTS WILL BE RAISED 50 FORINTS PER MONTH. THE GOVERNMENT ESTIMATES THAT THE PRICE RISES WILL NECESSITATE AN ADDITIONAL 2.3 BILLION FORINTS WORTH OF EXPENDITURES A YEAR WHILE SALARY INCREASES ARE ADDING AN ANNUAL BURDEN OF 3.5 BILLION FORINTS TO THE STATE BUDGET.

3. COMMENT: THE EXTREME CARE WITH WHICH THESE CONSUMER PRICE INCREASES WERE INTRODUCED AND THEIR RELATIVELY MODEST SIZE COMPARED TO SIMILAR RISES ELSEWHERE IN EASTERN EUROPE ARE A REFLECTION OF THE SENSITIVITY OF THE CONSUMER PRICE LEVEL QUESTION IN HUNGARY. NEVERTHELESS, IT IS DIFFICULT TO SEE HOW THE HUNGARIAN CONSUMER CAN AVOID ASSUMING MORE OF THE BURDEN OF THE INCREASE IN PRICES OF ITEMS SUCH AS CHEMICALS WHICH HAVE PLACED HEAVY STRAINS ON BOTH THE STATE BUDGET AND THE BUDGETS OF HUNGARIAN ENTERPRISES.
PEDERSEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GASOLINE, WAGES, FUEL OIL, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUDAPE01869
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740190-0848
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740746/aaaabnlh.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: BUDAPEST 1239
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 OCT 2002 by ThomasVJ>; APPROVED <29-Oct-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONSUMER PRICE RISES ANNOUNCED
TAGS: ECON, HU
To: STATE COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005